



STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
SECRETARY

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CORRESPONDENCE MEMORANDUM

DATE: June 1, 2015
TO: Deferred Compensation Board
FROM: David Nispel, Chief Legal Counsel
Angel Johnson, Legal Services Intern
Shelly Schueller, Deferred Compensation Director
SUBJECT: Stable Value Fund Advisory Agreement with Galliard Capital Management

Staff recommends the Board consider approving the revised and restated Stable Value Fund advisory agreement with Galliard Capital Management as presented.

The Stable Value Fund (SVF) is provided to Wisconsin Deferred Compensation Program (WDC) participants via an advisory agreement the Board has with Galliard Capital Management. This is one of the most popular funds in the WDC. As of December 2014, 20,387 WDC participants had \$605,315,088 invested in the SVF.

As discussed previously, the language in the existing Galliard advisory agreement no longer reflects current regulatory or economic conditions. The intent of revising and restating the advisory agreement is to complete a number of overdue updates to the advisory agreement, including:

1. Updating the language in the agreement to reflect current parties to the agreement (remove references to Norwest, PIMCO and Sanford Bernstein, for example) as well as incorporating existing amendments (example: the 2010 investment guidelines), which were completed since the initial advisory agreement was signed in 1998;
2. Adjusting the fee calculation methodology to include the Wells Fargo trustee fee;
3. Clarifying the use, operation and limitations of book value wrap contracts;
4. Clarifying Galliard's relationship with Wells Fargo and its other subsidiaries;
5. Updating the disclosures for the Wells Fargo collective funds, which includes withdrawal restrictions on certain assets from the account for 12 months or more; and
6. Updating the Wells Fargo Investment Authorization Agreement for use of the various underlying fixed income collective funds currently used in the ETF portfolio.

Reviewed and approved by Matthew Stohr, Administrator
Division of Retirement Services

Electronically Signed 6/2/15

Board	Mtg Date	Item #
DC	6.16.15	10

Wells Fargo trustee fee

As discussed at the March 12, 2015 Board meeting (Ref. DC | 3.12.15 | 11), Wells Fargo implemented a trustee fee across its collective funds to help pay for the costs of running the fund complex. Notice of this forthcoming fee sparked the review of the overall advisory agreement and the subsequent revised and restated agreement presented in this document. The WDC has been fortunate to receive the use of the collective funds free of charge for the past 17 years, but will now be assessed a 1.9 basis point trustee fee as part of the revised agreement.

Galliard fee decrease

Galliard is proposing a fee decrease for the investment management services provided for the SVF. As shown below, even with the addition of the Wells Fargo trustee fee on the collective funds, Galliard's investment management fee decrease will allow for a slight overall fee reduction. This is a positive development for WDC participants using the SVF.

Fee Type	Current Fee (basis points)	New Fee Structure (basis points)
Galliard investment mgmt.	11.50	9.15
External manager	5.56	5.56
Other collective fund expenses	2.34	2.34
WellsFargo trustee fee on coll. funds	-	1.90
Book value contract	19.50	19.50
Total	38.90	38.45

Galliard and ETF staff will be present at the Board meeting to discuss the proposed revisions to the advisory agreement.

Attachment: Revised and Restated Stable Value Fund Advisory Agreement

STATE OF WISCONSIN
DEFERRED COMPENSATION PLAN - STABLE VALUE FUND

AMENDED AND RESTATED
INVESTMENT ADVISORY AGREEMENT

Advisor: Galliard Capital Management, Inc.

Effective Date: _____, 2015

State of Wisconsin Deferred Compensation Plan - Stable Value Fund

Investment Advisory Agreement

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Galliard Capital Management, Inc. Advisory Agreement

Exhibit 1 – Wells Fargo Collective Funds Investment Authorization Agreement

- Schedule A - Fee and Expense Schedule and Disclosure

Exhibit 2 – Collective Investment Fund Disclosure

Exhibit 3 – Investment Objectives and Guidelines

Exhibit 4 – Wrap Agreement Information Requirements

Exhibit 5 – Galliard Capital Management Fee Schedule

Exhibit 6 – State of Wisconsin Standard Terms and Conditions

Exhibit 7 – State of Wisconsin Supplemental Standard Terms and Conditions

Amended and Restated Investment Advisory Agreement

This Amended and Restated Investment Advisory Agreement is made as of the [__]th day of [____], 2015, by and between Galliard Capital Management, Inc. (herein "Advisor") and The State of Wisconsin (herein "State") through its Deferred Compensation Board (herein "Board") in regard to the management of certain assets of the State of Wisconsin Deferred Compensation Plan (herein the "Plan").

WHEREAS, the Board serves as fiduciary with respect to the Plan and previously engaged Advisor to serve as an investment advisor to the Plan on the terms and conditions set forth in the Investment Advisory Agreement between State and Advisor effective June 30, 1998, as amended on November 8, 2001, November 25, 2009 and December 15, 2012 (collectively, the "Original Agreement"); and

WHEREAS, State and Advisor desire to amend and restate the Original Agreement by entering into this Agreement.

State wishes to appoint Advisor to manage certain assets of the Account. Therefore, the parties hereto agree as follows:

1. **Investment Advisory Services.** The assets of the Plan subject to this Agreement shall include all assets of the Plan allocated to the Plan's stable value investment option, together with all other assets which may be exchanged or substituted therefor or contributed thereto (the "Account"). In accordance with the terms and conditions of this Agreement, the Advisor and State (the "Parties") agree that the Advisor shall perform certain services relating to: (a) making investment decisions with respect to the Account, and (b) selecting, negotiating and executing benefit responsive agreements necessary to obtain and maintain "book value" accounting with respect to the assets of the Account in accordance with Financial Accounting Standards Board Staff Position (FSP) AAG INV-1 and Statement Of Position 94-4-1 (as issued), as the same may be amended, revised, restated or superseded by a subsequent pronouncement of the same (the "Wrap Agreement Services").
2. **Provision of Advisory Services.** State hereby appoints continues the appointment of Advisor as agent and attorney-in-fact with full power and authority to act on behalf of the Account as provided in this Section 2. Advisor hereby accepts its appointment as investment advisor to the Account in accordance with the terms and conditions of this Agreement. State grants Advisor all power and authority which is necessary and proper to perform the actions required to effectuate its duties under this Agreement. State shall provide written instructions if it desires to override or otherwise direct the employment of Advisor's discretion with respect to managing the Account.
 - (a) Investment Management Services. Advisor shall have full discretionary authority with respect to the Account and as such Advisor is fully authorized to invest in, or otherwise acquire, sell, possess or realize upon, and generally deal in and with any and all forms of "securities" (as that term is defined in the Securities Act of 1933, as

amended) and other financial instruments, and to place orders for the execution of such transactions with and through such brokers, dealers, or issuers as Advisor selects, or which State may direct Advisor in writing to use, in all cases consistent with applicable law and Advisor's Best Execution Policy. Advisor may amend its Best Execution Policy from time to time and will provide a copy to State upon request. In managing the Account, Advisor may negotiate, execute and terminate agreements with investment managers registered under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), that will serve as a sub-advisor(s) to Advisor. Advisor may purchase securities of an investment company for which Advisor or any other affiliate of Wells Fargo & Company or any affiliate of Wells Fargo Bank, N.A. ("Wells Fargo") acts as investment advisor, or similarly invest or place assets of the Account in collective funds where Wells Fargo serves as trustee or investment advisor (the "Collective Funds"). Advisor or other investment managers registered under the Advisers Act may also serve as the investment advisor or sub-investment advisor for the Collective Funds. Advisor will continue to invest the assets of the Account in the Collective Funds and the State will enter into the Collective Investment Fund Agreement (the "Collective Fund Agreement"), which is attached hereto as Exhibit 1. As a wholly-owned subsidiary of Wells Fargo, Advisor is providing State with the disclosure in Exhibit 2 regarding Advisor's relationship with Wells Fargo and the potential impact on the Account.

- i. Investment Guidelines Procedures. In managing the Account, Advisor shall adhere to the terms and conditions of this Agreement and the written investment objectives and guidelines established for the Account, which are attached hereto as Exhibit 3 (the "Guidelines"). The Guidelines may be amended from time to time upon the mutual written agreement of the Parties. In the event that: (1) downgrades of any security held in the Account, (2) changes in the total amount of assets under management by Advisor, or (3) changes in asset prices as a result of market events, cause the assets of the Account to be outside of a designated range specified in the Guidelines (each a "Market Event"), the Advisor shall, within twenty (20) business days of the date Advisor discovers that the holdings are out of the range specified by the Guidelines (or such other period as agreed to by State or its designee and Advisor), sell and/or purchase such securities as necessary to bring the Account into compliance with the Guidelines, unless prohibited by the terms of a Wrap Agreement (as defined below) or Advisor otherwise determines such action is not appropriate, in which case Advisor shall seek direction from State.
- ii. Remediation of Errors. In the event of: (1) any deviation from the Guidelines caused by a Market Event not remedied as outlined above, or (2) an investment decision made by Advisor causes the assets of the Account to fall outside of a designated range specified by the Guidelines, the Advisor shall act in accordance with the Advisor's Trade Error Procedures to bring the Account into compliance with the Guidelines. The Advisor's Trade Error Procedures may be updated from time to time by Advisor in its sole

discretion. Advisor will provide State with a copy of the Trade Error Procedures upon request.

- (b) Wrap Agreement Services. State hereby authorizes Advisor to perform such actions as necessary to carry out the Wrap Agreement Services, subject to the limitations below. In performing the Wrap Agreement Services, Advisor is fully authorized to work with insurance companies, banks or other eligible entities (“Wrap Providers”) to select, negotiate and execute agreements, and amendments to such agreements, that provide for book value withdrawal of principal with respect to the assets held in the Account. Advisor is fully authorized to select the Wrap Providers for the Account and to invest the securities underlying the Wrap Agreements, subject to the Guidelines. The conditions and limitations set forth in Exhibit 4 to this Agreement shall apply to Wrap Agreements, which Exhibit is hereby incorporated as an integral part of this Agreement.
- (c) Other Investment Managers. Advisor will have authority to select up to four other registered investment managers from time to time (each an “External Manager”), not including the Advisor, to manage certain of the assets of the Account. Such External Managers may manage assets of the Account through Collective Funds, insurance company separate accounts, or through a separate account in which case the External Manager will be a sub-advisor to Advisor pursuant to an investment management agreement. Advisor shall review with the Department of Employee Trust Funds staff any changes to existing External Managers, including adding new External Managers, and provide a written document as to the reasons for any change. A manager profile of each proposed new External Manager shall also be provided. Advisor may proceed with the change only upon receiving the written approval of the Department of Employee Trust Funds. If applicable, such External Managers will have full authority to invest assets in their respective portfolios in accordance with advisory agreements established between the External Manager and the Advisor or Collective Fund Trustee and the External Manager for the sub-accounts. Advisor shall provide a copy of any agreement entered into directly by Advisor with an External Manager or the applicable disclosure document for the Collective Fund to the Department of Employee Trust Funds for its records. Advisor will have authority to direct deposits to and withdrawals from External Managers accounts in accordance with the overall investment objectives and guidelines and Advisor's current investment strategy. Advisor shall advise External Managers in writing of the deposits and withdrawals as they occur. Advisor will monitor the investment activity of each External Manager, review their compliance with investment guidelines and monitor their investment performance. Advisor is responsible for implementing changes in External Managers as deemed appropriate, including adding or removing External Managers, subject to the written approval of an authorized representative of the Department of Employee Trust Funds.
- (d) Other Authorized Services. Advisor’s appointment as agent and attorney-in-fact shall include the authority to execute and deliver on behalf of State, any account opening documents and such other documents or instruments as may be required by any broker, dealer or futures commission merchant in connection with Advisor’s

management of the Account. Advisor is authorized to enter into agreements with counterparties that allow Advisor to direct the deposit of collateral, which shall include the transfer of money, securities or other property, to the extent necessary to meet the obligations of the Account with respect to any investments made pursuant to the Guidelines.

3. **Custodial Services.** Custodial services for all separate account portfolios and/or collective funds utilized by the Account will be provided by Wells Fargo Bank, N.A. Advisor will not be custodian for the assets of the account. While Advisor may maintain physical possession of documentation regarding certain instruments relating to State's Account, such as guaranteed investment contracts, synthetic guaranteed investment contracts and insurance separate accounts, the possession of these documents is not deemed to be custody of securities by Advisor pursuant to Rule 206(4)-2 of the Advisers Act. Advisor is not authorized to direct delivery, payment (other than the payment of fees), or disposition of any of the assets under management except to State or through instructions provided by State to its duly appointed custodian.
4. **Income Reinvestment.** All contributions, and interest, dividend, or other income added to the Account, including capital gains from sale of assets, shall be managed by Advisor under this Agreement. Daily investment of principal and income shall be effectuated by Advisor.
5. **Asset Withdrawal.** State may at any time, upon written notice or verbal notice if written authorization is on file with Advisor, withdraw all or part of the property or assets in the Account, or the liquidated value thereof. If the Account is invested in Collective Funds, there may be restrictions on the withdrawal of the assets from the Wells Fargo collective funds as provided in the Collective Fund Agreement. **The restrictions in the Collective Fund Agreement may prevent withdrawals of certain assets from the Account for twelve (12) months or more, as determined by the Wells Fargo Collective Fund Trust Investment Committee.**
6. **Valuation and Reporting.** Advisor will provide the State and/or its designated agent with an appraisal of the Account as of the last day of each calendar month ("Appraisal Date"). Such appraisal shall consist of a written summary of the Account's investment performance and the performance of each fund component and all External Manager's performance as well as a listing of all transactions and assets for the Account as of the Appraisal Date. In addition, Advisor shall prepare quarterly, a formal review package for the Account and will, upon request of the State, appear in person, along with representatives of the External Managers, to review account performance as required by the State. Notwithstanding the above, Advisor will value the Account daily with interests denominated in "units", each unit representing an equal undivided interest in the underlying assets. The unit value will be calculated each day by 5:00 p.m. CST reflecting the investment experience of the assets on that day. Securities will be valued at the price as established by nationally-recognized pricing services and/or pursuant to internal pricing procedures. Shares of Mutual Funds will be valued as set forth in the Prospectuses of the applicable Funds.

Investment contracts with "benefit responsive" features will be valued at fair value which has been determined by the Advisor and hereby acknowledged by the State to be contract book value. This shall specifically include all Guaranteed Investment Contracts owned by the Account from time to time. Other securities and all other assets will be valued at fair value as determined in good faith by Advisor. Advisor will fax the unit value to State or its agent each day no later than 5:00 p.m. CST and provide other reports and information as reasonably determined by State or its agent. State or its agent may direct purchase or withdrawal of units up until 9:00 a.m. CST the day following a valuation date at the previous day's unit value. Settlement of units will occur by wire transfer to be received/sent no later than 3:00 p.m. CST on the day following the valuation date (T+1).

7. **Fiduciary Responsibility.** Advisor hereby represents and warrants that it is a registered investment adviser under the Investment Advisers Act of 1940. With respect to its actions and obligations under this Agreement, Advisor will act as a "fiduciary" to the State and Board with regard to the Account. Advisor also acknowledges it is a "fiduciary" as that term is defined in the Employee Retirement Income Security Act of 1974 (ERISA) and amendments thereto.

8. **Liability and Indemnification.**

(a) Advisor shall defend, indemnify and hold harmless the State from and against any and all claims, actions, loss, damage, expenses, court costs, and related reasonable legal expenses whether incurred in defending against such claim or enforcing this Section 8, or liability arising from or in connection with the following: (a) Advisor's performance of or failure to perform any duties or obligations under any agreement between Advisor and any third party; (b) injury to persons (including death or illness) or damage to property caused by the act or omission of Advisor or Advisor's officers, directors and employees; (c) any claims or losses for services rendered by any sub-advisor, person, or firm performing or supplying services, materials, or supplies in connection with the Advisor's performance of this Agreement; (d) any claims or losses resulting to any person or third party entity injured or damaged by the Advisor, its officers, employees, or sub-advisor by the publication, translation, reproduction, delivery, performance, use, or disposition of any data used under this Agreement in a manner not authorized by this Agreement, or by Federal or State statutes or regulations; and (e) any failure of the Advisor, its officers, employees, or sub-advisors to comply with State and Federal laws. Except as provided in this Section 8(a), Advisor shall have no liability for any error in judgment, any loss suffered by the Account due to asset value depreciation or the acts or omissions of another fiduciary or service provider to the Plan not within Advisor's control. Notwithstanding the foregoing, Advisor makes no guarantee of investment performance or any specific level of income.

(b) State shall give Advisor prompt written notice of such claim, suit, demand, or action that comes within Section 8(a) (provided that a failure to give such prompt notice will not relieve Advisor of its indemnification obligations hereunder except to the extent Advisor can demonstrate actual, material prejudice to its ability to mount a defense as a result of such failure). State will cooperate, assist, and consult with Advisor in the Advisor's defense or investigation of any claim made or suit filed against State resulting from Advisor's

performance under the Agreement.

(c) Advisor shall, as soon as practicable, notify State of any claim made or suit filed against Advisor resulting from Advisor's obligations under this Agreement. State has no obligation to provide legal counsel or defense to Advisor if a suit, claim, or action is brought against Advisor or its sub-advisors as a result of Adviser's performance of its obligations under this Agreement. In addition, State has no obligation for the payment of any judgments or the settlement of any claims against Advisor arising from or related to this Agreement. State has not waived any right or entitlement to claim sovereign immunity under this Agreement.

(d) Neither Advisor nor the State shall enter into any settlement agreement that obligates the other party to take any action or refrain from taking any action without the other's approval of the terms of such agreement.

9. Fees. Advisor shall be paid fees for its services under this Agreement as agreed according to the Fee Schedule presented in the attached Exhibit 5. Wells Fargo may receive a portion of any fee paid by State to Advisor. This payment does not increase the fees paid by State. This disclosure is provided in accordance with Rule 206(4)-3(a)(2)(ii) of the Investment Advisors Act.

10. Agreement Term, Amendment and Termination. This Agreement shall continue indefinitely unless and until terminated by either party upon providing at least 120 days written notice to the other party to terminate the agreement. This Agreement may not be amended, modified nor any provision waived or deviated from at any time unless agreed to in writing by Advisor and State. In every successive year that the contract is automatically extended, all of the conditions and provisions of this contract shall remain in full force and effect during that year unless amended in writing by both parties as provided above. Notwithstanding any other provision of this Agreement, the State may terminate this Agreement effective immediately and without advance notice, if at any time during the term, Advisor admits or is found by the State to be in violation of this Agreement or any laws relating to securities, insurance, taxes or any other matter involving deferred compensation. Further, if a petition, voluntary or involuntary, should be filed under the state or federal bankruptcy, insolvency, or other similar laws by or against Advisor or affiliate providing services under this Agreement, the State may at its sole option terminate the Agreement and may exercise all rights and remedies available to it.

11. Notices. Instructions with respect to transactions to be performed at State's direction may be given orally, by electronic mail or via facsimile. Oral instructions must be confirmed in writing prior to execution by the Advisor of the transaction to which the instructions relate. All notices required to be given under this Agreement, excluding reports furnished to State, shall be delivered by hand or by overnight mail or sent by certified or registered mail and shall be deemed given when received at the address specified below, and, as to the custodian, at such address as it may specify to Advisor in writing, or at such other address as a party to receive notice may specify in a notice given in accordance with this provision. Advisor may rely on any notice from any person

reasonably believed to be genuine and authorized.

Notices to Advisor shall be directed and mailed as follows:

Galliard Capital Management, Inc.
LaSalle Plaza - Suite 1100
800 LaSalle Avenue
Minneapolis, MN 55402
Attention: Chief Administrative Officer

With a copy (which shall not constitute notice) to:

Galliard Capital Management, Inc.
LaSalle Plaza - Suite 1100
800 LaSalle Avenue
Minneapolis, MN 55402
Attention: Galliard Client Service

Notices to State shall be directed and mailed as follows:

Deferred Compensation Board
801 West Badger Road
PO Box 7931
Madison, WI 53707-7931
Attention: Director, Retirement and Survivor Benefits

12. Confidentiality

(a) All information provided to Advisor by State shall be regarded as confidential by Advisor and shall not be used by the Advisor in connection with any other matter, without prior written consent of the Board.

(b) The restrictions set forth in (a) respecting confidentiality shall not apply to any State Confidential Information (excluding Personally Identifiable Information) which: (a) is in or becomes part of the public domain without breach of this Agreement or violation of any applicable law; (b) was properly in Advisor's possession prior to such disclosure, (c) was disclosed to recipient by a third party who did not obtain such State Confidential Information, directly or indirectly, from the other party subject to any confidentiality obligation; (d) is required to be disclosed pursuant to a valid request under the Public Records Law and/or Open Meetings Law, or (e) is required to be disclosed by Advisor in performing its obligations under this Agreement. This section shall not apply to Personally Identifiable Information.

(c) In the event that a subpoena or other legal process is served upon Advisor for records containing State Confidential Information, Advisor shall promptly notify State in advance of any disclosure of State Confidential Information and cooperate with State to object to and/or limit such disclosure.

(d) Advisor confidential information, that has been marked and identified as such in writing to the Board, shall not be disseminated by the State except as authorized in this Agreement, by law, or with the written consent of Advisor. These restrictions shall not apply to any Advisor confidential information covered by paragraphs (b) or (c) in this section. The State will provide Advisor of notice to that affect prior to disclosure.

- 13. Services to other Clients.** The parties hereto understand and agree that Advisor and its affiliates render investment management advice to others who may or may not have investment policies, objectives, and investments similar to those in this Account. Advisor may continue to give advice and take actions on behalf of such other clients which differ from the advice and actions taken in regard to this Account
- 14. Written Disclosure Statement.** State acknowledges receipt as of the date of execution of this Agreement of Advisor's completed Form ADV, Part II and expressly reserves the right in connection therewith to terminate this Agreement without penalty within five business days following the date of execution. State acknowledges that it has reviewed and understands the risks and the fees associated with this Agreement.
- 15. Assignment.** No assignment of this Agreement shall be made by Advisor without the prior written consent of State.
- 16. Execution of Contract.** This Agreement becomes binding upon the State and Advisor when reviewed and approved by the Deferred Compensation Board or its representative, pursuant to Wis. Stats. Section 40.80 and signed by authorized representatives of each party hereto. By their signature, each party represents that they have proper and legal authority to sign and bind their principal and that each party has all required legal right and power to perform all acts called for by this Agreement in the State of Wisconsin and elsewhere. In addition to this document, the Agreement between the parties shall include the provisions of the RFP and the proposal and additional information submitted by Advisor; all are incorporated herein. Any conflict ambiguity or inconsistency among these documents shall be resolved by applying the following descending order of preference including Federal and State Law; the Agreement, its Exhibits and any amendments; the RFP and any amendments to this Agreement. A higher order document shall supersede a lower order document to the extent necessary to resolve any inconsistencies between them, but silence on any matter in a higher order document shall not negate or modify the provisions of a lower order document as to that matter. All provisions of all three documents shall be in accordance with applicable provisions of Federal and Wisconsin State Law and any rule and regulation promulgated thereunder.
- 17. Conflict of Interest.** During the term of this Agreement, Advisor shall not have any interest, direct or indirect, that would conflict in any manner or degree with the

performance of services required under the Agreement. To the extent Advisor or its affiliates should enter into any Agreement or acquire or hold any business interest relating to or potentially impacting its performance under this Agreement, Advisor shall promptly disclose such interest to the State and State shall have the ability to terminate the Agreement at its discretion subject to 30 days' notice thereof. State shall be notified immediately upon any material change of ownership of Advisor.

18. **Severability.** The provisions of this Agreement are severable, and, if for any reason a clause, sentence, paragraph or other part of this Agreement shall be determined to be invalid by a court or federal or state agency, board or commission having jurisdiction over the subject matter thereof, such invalidity shall not affect other provisions of this Agreement which can be given effect without the invalid provision.
19. **Section Headings.** The headings of sections in this Agreement are inserted for convenience and reference and shall not be deemed to be a part of or used in the construction of this Agreement.
20. **Governing Law.** This Agreement and all transactions hereunder shall be governed by, interpreted, construed, and enforced in accordance with the laws of the State of Wisconsin.
21. **Successors and Assigns.** This Agreement shall bind the successors and assigns of State and shall bind the successors and assigns of Advisor.
22. **Affirmative Action.** The Advisor shall not discriminate against any employees or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in Wis. Stat. § 51.01(5), sexual orientation as defined in Wis. Stat. § 111.32(13m), or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and training, including apprenticeship. The Advisor shall take affirmative action to ensure equal employment opportunities and will post in a conspicuous place available for employees and applicants for employment, notices to be provided by the Advisor setting forth the provisions of the nondiscrimination clause. If not previously provided, a written Affirmative Action Plan will be filed with the State within 30 days of signing this Amended Agreement.
23. **Americans with Disabilities Act.** As an employer and service provider, Advisor shall comply with all applicable requirements and provisions of the Americans with Disabilities Act (ADA) of 1990. Evidence of compliance with ADA shall be made available to the Board upon request.
24. **Force Majeure.** Either party's delay or failure to perform shall be excused for so long as, and to the extent that, it is prevented from performing any of its obligations under this Agreement, in whole or in part, as a result of a Force Majeure Event. “**Force Majeure**

Event” means events that are beyond the reasonable control of a party, including but not limited to the following: disasters, extraordinary weather conditions, earthquake, elements of nature or acts of God, war, insurrection, riot, labor strikes, terrorist acts, government restrictions, exchange, market or other regulatory rulings, suspension of trading, computer or communication line failure, or failure of market centers or transmission failures. The non-performing party promptly shall notify the other party of the circumstances causing its delay or failure to perform. For as long as such circumstances prevail, the party whose performance is delayed or hindered shall continue to use commercially reasonable efforts to minimize the length and effect of delays and shall re-commence performance immediately after the cessation of the Force Majeure Event. Advisor will maintain at all times a business continuity plan that makes provision for prompt and efficient handling of any incident which impairs Investment Manager's ability to perform its obligations under this Agreement.

25. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of this Amendment by facsimile, including, without limitation, by facsimile transmission or by electronic delivery in portable document format (“.pdf”) or tagged image file format (“.tiff”), shall be equally effective as delivery of a manually executed counterpart thereof.
26. **Entire Agreement.** This Agreement contains the entire understanding of the parties and supersedes all prior agreements and understandings between the parties with respect to its subject matter. Each of the exhibits to this Agreement are hereby incorporated into and made part of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

State of Wisconsin Deferred Compensation Board

By: _____

Name: _____

Its: _____

Galliard Capital Management, Inc.

By: _____

Name: _____

Its: _____

EXHIBIT 1

**AGREEMENT FOR INVESTMENT IN THE WELLS FARGO BANK, N.A.
COLLECTIVE INVESTMENT FUNDS FOR RETIREMENT PLANS**

Plan: Wisconsin Deferred Compensation Program

Plan Type: 401(k) X 457
 Other Defined Contribution _____

Estimated Funding Amount: existing

Sponsor: Wisconsin Department of Employee Trust Funds

Address: 801 W. Badger Road

City, State Zip: Madison, WI 53707-7931

Phone Number: _____

Sponsor Tax ID #: 39 - 1103756 **Plan ID#:** __ __ **State Domicile:** WI

Fiduciary: State of Wisconsin Deferred Compensation Board

Direct Service Provider (TPA Firm Name): Empower

Trading Platform: Empower

This Agreement (“Agreement”) is made by and between Wells Fargo Bank, N.A. (“Wells Fargo”) as trustee of the collective investment funds (“Investment Funds”) established and maintained by Wells Fargo under the Wells Fargo Declaration of Trust Establishing Investment

Funds for Employee Benefit Trusts as Amended and Restated (“Declaration of Trust”), and agent under this Agreement, and a named fiduciary executing this Agreement (“Fiduciary”) on behalf of the Plan and Sponsor.

RECITALS

A. Wells Fargo maintains the Investment Funds under the Declaration of Trust as a medium for the collective investment of tax-qualified retirement trusts, certain governmental employee plans, and certain other eligible participants identified in the Declaration of Trust.

B. Fiduciary has authority to select or designate investment options for the Plan, and desires that one or more Investment Funds maintained under the Declaration of Trust be made available as investment options under the Plan in accordance with this Agreement.

C. Wells Fargo desires to accept the Plan as a participating Account as defined below in the Investment Funds, subject to the terms and conditions of this Agreement.

AGREEMENT

In consideration of the foregoing and the promises set forth below, the parties agree as follows. Capitalized terms not otherwise defined herein have the meanings given them in the Declaration of Trust.

1. Appointment and Acceptance

Fiduciary hereby appoints Wells Fargo as directed agent and custodian for the purposes of maintaining an account and holding therein such cash assets as shall be received from the Fiduciary from time to time, and all earnings and profits thereon (hereinafter called the “Account”), for the purpose of investing such amounts in Investment Funds maintained by Wells Fargo listed in Schedule A. Wells Fargo hereby accepts its appointment as agent and custodian and acknowledges that it is a fiduciary of the Investment Funds, as the term fiduciary is defined in the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), with respect to such assets. The Fiduciary has designated the Investment Funds listed in Schedule A as investment options under the Plan and Wells Fargo shall have no responsibility or liability for such designation.

2. Acceptance of Plan as Participating Account

Wells Fargo hereby accepts the Plan as a participating Account in the Investment Fund(s) under the Declaration of Trust as indicated in Schedule A, which may be amended from time to time by Wells Fargo and the Fiduciary, and the Plan’s investment in the Investment Fund(s) shall be subject to the provisions of Schedule A.

3. Terms of the Declaration of Trust

(a) Fiduciary acknowledges and understands that the Plan’s participation in an Investment Fund will at all times be subject to the Declaration of Trust as amended from time to

time. The Declaration of Trust as may be amended from time to time is hereby incorporated and made a part of the governing Plan documents as if fully set forth therein. The combining of money and other assets of the Plan with money and other assets of other qualified plans in an Investment Fund is specifically authorized. In the event of any inconsistency between this Agreement and the Declaration of Trust with respect to the Plan's investment in the Investment Fund, the Declaration of Trust shall control. Fiduciary acknowledges having received a copy of the Declaration of Trust governing the applicable Investment Funds.

(b) The assets of the participating Account shall be invested in Investment Funds which are collective investment funds and group trust funds under Rev. Rul. 81-100, as amended, and consist exclusively of assets of exempt pension and profit sharing trusts and other qualified and tax exempt accounts under the Internal Revenue Code of 1986, and which are maintained by a bank or trust company supervised by a state or federal agency, notwithstanding that the bank or trust company is Wells Fargo, or is otherwise a party in interest of the Plan, including Wells Fargo or an affiliate of Wells Fargo. The assets invested in the Investment Funds shall be subject to all the provisions of the instruments establishing such funds as they may be amended from time to time, including, but not limited to the Declaration of Trust. Such instruments of group trusts as they may be amended from time to time are hereby incorporated and made a part of the governing Plan documents as if fully set forth therein. The combining of money and other assets of the participating Account with money and other assets of other qualified trusts in such Investment Fund or Funds is specifically authorized.

4. Warranties, Representations, and Covenants of Fiduciary

Fiduciary warrants and represents to, and covenants with, Wells Fargo as follows:

(a) Fiduciary is a named fiduciary of the Plan, as that term is defined in ERISA, authorized to enter into this Agreement on behalf of the Plan and in that capacity shall be solely responsible for the selection of an Investment Fund as an investment option under the Plan; any person signing this Agreement on Fiduciary's behalf is authorized to do so; and this Agreement will be binding on Fiduciary, the Plan, and the Plan participants.

(b) The Plan and its accompanying trust are a Qualified Account as defined in the Declaration Trust and are maintained pursuant to a plan or trust instrument which authorizes it to participate in the Investment Fund or in any other common, collective, or commingled trust fund and which specifically or in substance and effect adopts the Declaration of Trust as a part of the plan of which such trust is a part.

(c) Fiduciary agrees to furnish such other information or assurances as Wells Fargo may request in order to determine the Plan's eligibility to participate in the Investment Fund, and will notify Wells Fargo immediately in the event the Plan no longer meets the conditions for eligibility or is for any other reason disqualified from continuing to participate in the Investment Fund.

5. Wells Fargo's Retention of Investment Advisers

Fiduciary understands that Wells Fargo is authorized under the Declaration of Trust to retain investment advisers, which may be affiliated with Wells Fargo, to advise Wells Fargo with respect to the investment of the assets of any Investment Fund.

6. Compensation

Wells Fargo shall be entitled to reasonable compensation for its services with respect to the Investment Funds, as set forth in Schedule A hereto and/or in the disclosure or other document for each Investment Fund as provided to the Fiduciary. Such compensation and expenses incurred by Wells Fargo in the performance of such services and all other charges and disbursements for each Investment Fund may be charged to each fund. Any and all taxes, including any interest and penalties with respect thereto, which may be levied or assessed under the existing or future laws upon or in respect of the participating Account or income thereof similarly shall be charged to and paid out of the participating Account. In the event that the parties agree that Wells Fargo shall provide services hereunder beyond investing cash transferred to the participating Account into one or more Investment Funds, the parties shall agree in writing upon Wells Fargo's compensation for those services and the expenses that may be charged to the participating Account in connection with those services.

7. Directions from Fiduciary

Fiduciary will designate individual(s) from time to time to communicate directions, instructions, or other notices required or permitted under this Agreement, including all Exhibits and/or Schedules attached hereto, or the Declaration of Trust to Wells Fargo on its behalf. Wells Fargo shall be protected fully in relying on and proceeding in accordance with any such direction or notice. Sponsor hereby agrees to forever release Wells Fargo, its affiliates, and their directors, officers, and employees (each, a "released party"), from all liabilities, losses, claims, demands, damages, costs, and expenses, including reasonable attorneys' fees, arising from (i) any act taken or omitted by a released party in good faith in accordance with, or due to the absence of, directions of any person authorized to give a direction with respect to the matter, or (ii) any act taken or omitted by a fiduciary other than a released party in breach of the fiduciary's responsibilities under the Plan or otherwise, including, without limitation, any miscommunication or inaccurate statement by such other fiduciary to Plan participants concerning any aspect of the Investment Fund or the consequences of an investment in any Investment Fund. Nothing in this Section 7 shall modify or alter the terms and conditions of the investment advisory agreement between Galliard Capital Management and the State of Wisconsin dated **May ___**, 2015, as the same may be amended from time to time, relating to the investment of assets of the Plan in Investment Funds.

8. Miscellaneous

(a) This Agreement supersedes the agreement between the parties dated June 30, 1998.

(b) This Agreement (i) will terminate upon the complete withdrawal of the Plan from

all the Investment Funds, (ii) will be binding upon the successors and assigns of the parties hereto, and (iii) together with the Declaration of Trust, as amended, is the entire agreement between the parties regarding the subject matter of this Agreement.

(c) The headings used in this Agreement are for convenience and reference only and shall not be deemed to limit or affect the terms or provisions herein.

(d) The interpretation of this Agreement and the rights of the parties hereunder shall be governed by ERISA and other applicable federal law and, to the extent not preempted by the foregoing, the laws of the State of Wisconsin without giving effect to principles of conflict of law.

(e) Wells Fargo may resign as directed agent by providing to Fiduciary ninety (90) days written notice to Fiduciary. Fiduciary shall provide Wells Fargo ninety (90) days notice of its intention to terminate a Plan's investment in an Investment Fund, subject to any other limitations in this Agreement. Upon the effective date of Wells Fargo's resignation or the termination of a Plan's investment in an Investment Fund, Wells Fargo shall liquidate the Plan's holding in such Investment Fund in accordance with the terms of the Declaration of Trust. Fiduciary shall provide to Wells Fargo written direction for the disposition of the proceeds of the liquidation of the Plan's holding in an Investment Fund.

Dated: _____

State of Wisconsin Deferred Compensation Board

Signature _____

Print Name _____

Title _____

Wells Fargo Bank, N.A.

Signature _____

Print Name _____

Title _____

SCHEDULE A

WELLS FARGO BANK, N.A. COLLECTIVE INVESTMENT FUNDS FOR RETIREMENT PLANS

NAME OF INVESTMENT FUND(S)

The Fiduciary selects and designates the Investment Fund(s) identified below as investment options under the Plan:

Wells Fargo Stable Value Fund W
Wells Fargo Stable Return Fund G
Wells Fargo Short Term Investment Fund
Wells Fargo Fixed Income Collective Funds
Wells Fargo Fixed Income Fund C
Wells Fargo Fixed Income Fund J

FEES AND EXPENSE DISCLOSURES

Wells Fargo Stable Value Fund W

Wells Fargo Stable Value Fund W is solely invested in the Wells Fargo Stable Return Fund G. Wells Fargo will charge a fee of 0.03% (3 basis points) for the services it provides as a trustee for Wells Fargo Stable Value Fund W. Wells Fargo will also charge administrative expenses for certain services provided to Wells Fargo Stable Value Fund W by affiliated and unaffiliated service providers. The total embedded fees and expenses of Stable Value Fund W, inclusive of the fee paid to Wells Fargo as trustee, currently amount to less than 0.04% (4 basis points) of total assets of the Fund and may change over time. The fees will be calculated and accrued daily in the net asset value of Stable Value Fund W and will be paid from the assets thereof on a monthly or quarterly basis as determined by Wells Fargo.

Wells Fargo Stable Return Fund G

Wells Fargo may charge third party expenses incurred on behalf of the Wells Fargo Stable Return Fund G (the "Fund"), including legal, non-affiliated advisors, benefit responsive contract fees and other administrative expenses, excluding costs incurred in establishing and organizing the Fund. These embedded fees currently amount to less than 0.23% (23 basis points) of total assets of the Fund and may change over time.

Wells Fargo Short Term Investment Fund

Wells Fargo may charge third party expenses incurred on behalf of the Wells Fargo Short Term Investment Fund ("STIF"), including legal, affiliated advisors, valuation and other administrative expenses. These embedded fees currently amount to less than 0.01% (1 basis point) of total assets of the STIF and may change over time.

Wells Fargo Fixed Income Collective Funds

Wells Fargo may charge third party expenses incurred on behalf of the Wells Fargo Fixed Income Collective Funds, including valuation, and other administrative expenses. Wells Fargo may charge a fee for the services it provides as a trustee for the Wells Fargo Fixed Income Collective Funds. The total embedded fees of the Wells Fargo Fixed Income Collective Funds currently amount to less than 0.03% (3 basis points) of total assets in each of the collective funds and may change over time.

Wells Fargo Fixed Income Fund C [PIMCO]

Investment management fees for Pacific Investment Management Company (PIMCO) are paid from Wells Fargo Fixed Income Fund C (“Fund C”) and are based on total assets applied to the following fee schedule:

First \$750 million	0.225%
Next \$750 million	0.175%
Thereafter	0.15%

These embedded investment management fees currently amount to less than 0.23% (23 basis points) of total assets invested in Fund C on an annualized basis and may change over time.

Wells Fargo may also charge third party expenses incurred on behalf of Fund C, including valuation and other administrative expenses. Wells Fargo may charge a fee for the services it provides as a trustee for Fund C. These embedded fees currently amount to less than 0.04% (4 basis points) of total assets in Fund C and may change over time.

Wells Fargo Fixed Income Fund J [Dodge & Cox]

Investment management fees for Dodge & Cox are paid from the Wells Fargo Fixed Income Fund J (“Fund J”) and are based on total assets applied to the following fee schedule:

First \$10 million	0.35%
Next \$20 million	0.25%
Next \$60 million	0.15%
Balance	0.10%

These embedded investment management fees currently amount to less than 0.12% (12 basis points) of total assets invested in Fund J on an annualized basis and may change over time.

Wells Fargo may also charge third party expenses incurred on behalf of Fund J, including valuation and other administrative expenses. Wells Fargo may charge a fee for the services it provides as a trustee for Fund J. These embedded fees currently amount to less than 0.04% (4 basis points) of total assets in Fund J and may change over time.

ADDITIONAL PROVISIONS AND DISCLOSURES FOR STABLE VALUE/RETURN FUND INVESTORS

Wells Fargo reserves the right to require a 12-month notice for withdrawal of assets from the Fund initiated by the Sponsor or Fiduciary. Withdrawals initiated by participants of the Qualified Account will be honored when received unless payments are being delayed to all Fund unit holders. In such event, Wells Fargo will work with Sponsor or Fiduciary to arrive at a mutually agreeable payout structure. At the discretion of Wells Fargo, the notification periods identified for withdrawals may be waived.

EXHIBIT 2

Collective Investment Fund Disclosure

Galliard Capital Management, Inc. is a wholly-owned subsidiary of Wells Fargo Bank, N.A. Wells Fargo Bank is a subsidiary of Wells Fargo & Company, a bank holding company. Some subsidiaries of Wells Fargo are broker dealers and investment advisors. To limit the potential for conflicts of interest, Galliard does not execute transactions with affiliated broker/dealers. Galliard may purchase new issues through a non-affiliated underwriter in which an affiliate is a part of the underwriting syndicate. However, in such cases, Galliard's procedures call for our affiliate to not receive any compensation for the securities purchased by Galliard. Galliard clients who have relationships with Wells Fargo affiliates that provide brokerage should note that this policy may impact the brokerage services that Wells Fargo affiliates can perform with respect to assets under management at Galliard. Galliard provides investment advisory and/or sub-advisory services to Wells Fargo Bank including certain collective investment funds ("Collective Funds") of which Wells Fargo Bank serves as trustee. Wells Fargo may charge a fee for its services as trustee of the Collective Funds. Wells Fargo affiliates may serve as custodian to current and future clients of Galliard. Galliard may recommend that all or part of a client's assets be invested in Collective Funds as a part of its management strategy. Galliard has an agreement that for any funds so invested, Galliard will waive the fee charged to Wells Fargo Bank for the Collective Fund assets and receive only the fee paid directly by the Client to Galliard.

Wells Capital Management, an affiliate of Wells Fargo, performs investment advisory services for the Wells Fargo Short Term Investment Fund and receives compensation from Wells Fargo for such services. Wells Fargo Funds Management, LLC serves as investment advisor to the Wells Fargo Funds ("Mutual Funds") governed by the Wells Fargo Master Trust. Wells Fargo Funds Management, LLC is a registered investment company under the Investment Company Act of 1940. Galliard serves as sub-advisor to Wells Fargo Bank and Wells Fargo Funds Management, LLC for certain Mutual Funds and Collective Funds and is paid a fee for its advisory services.

A portion of the assets of the Account may be managed by investment advisors who are not affiliated with Wells Fargo or Galliard. These non-affiliated investment advisors have full authority to invest the assets held in the Collective Funds in accordance with the investment guidelines for each Collective Fund. In addition to serving as an investment adviser to the Fund, Galliard performs due diligence and other services relating to the non-affiliated investment advisors on behalf of Wells Fargo with respect to the assets of the Fund pursuant to contractual arrangements between Wells Fargo and Galliard. In performing such services, Galliard may be privy to certain information regarding the non-affiliated investment advisors that is not otherwise publicly available. Galliard is obligated to share this information with Wells Fargo and if Wells Fargo deems the non-affiliated investment advisor to be unsuitable to manage the Collective Fund for any reason, Wells Fargo may change the investment advisor to any of the Collective Funds at any time in its sole discretion. Wells Fargo or Galliard will promptly notify the Fund and its named fiduciary of any such change.

EXHIBIT 3

Investment Objectives and Guidelines

State of Wisconsin Deferred Compensation Plan - Stable Value Fund

Investment Objectives:

The primary objective of the portfolio is to provide safety of principal and a stable crediting rate, while generating a competitive return. The underlying fixed income portfolio on an aggregated basis shall conform to the following guidelines.

A. SECTOR

<u>Fund Level</u>	<u>Minimum Weighting</u>	<u>Maximum Weighting</u>
Cash Equivalents & Buffer Fund	5%	50%
Managed Synthetics*	50%	95%

Underlying Asset Level

U.S. Government/Agency	0%	100%
Corporates	0%	50%
Asset Backed	0%	25%
Mortgage Backed	0%	65%
Non-U.S. Issuers (Yankee only)	0%	10%

No more than 5% of the aggregate portfolio will be invested in any one corporate issuer.

No more than 10% of aggregate portfolio will be invested in any other issuer other than the U.S. Government or its agencies.

No more than 20% of aggregate portfolio at time of purchase will be invested in corporate bonds within a single S & P industry code.

*All managed portfolios must have book value wrap contracts in place.

B. QUALITY

Contract Level

The minimum quality of a wrap provider must be A-/A3 at the time of initial placement.

The minimum weighted average quality of the contracts will be maintained at A/A2.

Wrap contract issuers must be on the Galliard "approved" list at the time of purchase.

Underlying Asset Level

All securities will be rated investment grade at time of purchase. The minimum weighted average quality of the underlying assets will be maintained at AA-/Aa3.

<u>Composite Long-Term Rating</u>	<u>Minimum Weighting</u>	<u>Maximum Weighting</u>
AA-/Aa3 or better	50%	100%
A-/A3 to A+/A1	0%	40%
BBB-/Baa3 to BBB+/Baa1	0%	20%

Minimum rating on money market instruments will be A1/P1 at time of purchase.

C. DURATION

Targeted Effective Duration of 3.0 years for overall portfolio. The overall portfolio shall be maintained within ± 1 year of the target duration.

D. PERFORMANCE

Overall Fund:

The long term portfolio goal is to provide a credited rate of interest to participants exceeding a similar duration U.S. Treasury Bond Yield (measured using the “Constant Maturity Treasury Bond” return calculation).

Individual Managers:

Individual manager performance is expected to exceed established benchmarks by at least .50% on a net of fees basis over a market cycle.

E. PERMISSIBLE SECURITIES*

1. U. S. Treasury notes, bonds, bills
2. U.S. Federal Agency Securities
3. Asset-backed securities
4. Corporate notes, bonds, and debentures, including domestic and foreign issuers (Yankee bonds), and securities issued under Rule 144A
5. Mortgage-backed securities
6. Mortgage pass through securities
7. Municipal securities
8. Forward purchase agreements
9. U.S. Treasury futures and Euro-dollar futures Agreements

10. Federal Funds
11. Repurchase Agreements
12. Money market instruments
13. Collective Funds investing in the above

*All securities will be U.S. dollar denominated only.

F. ADDITIONAL RISK MANAGEMENT GUIDELINES

1. Duration Stress Tests

Entire portfolio must remain within .5 years of effective duration guidelines subject to ± 300 bp stress test of the portfolio.

2. Diversification

Exposure to any one single wrap provider shall be limited to not more than 35% of assets.

3. Credit Quality

In the case of a split rating on securities, the higher rating shall apply.

- For securities downgraded below investment grade, or A1/P1 for short term securities, the manager shall be allowed up to 90 days to liquidate the security in an orderly fashion.
- For securities downgrade to BBB+/Baa1 or lower, to the extent the 20% maximum in BBB/Baa rated securities is exceeded, the manager shall be allowed up to 90 days to come back into compliance.

4. Portfolio Leverage and Derivatives

The portfolio may not be leveraged. Derivatives may be used to hedge portfolio or manage portfolio duration and cannot be used to leverage the portfolio in any manner or for speculative purposes. Any derivative products in the portfolio will be included in all measures of portfolio performance, including yield, duration, and convexity.

The portfolio may purchase securities for forward delivery as long as the position is fully incorporated in calculating the portfolio's duration.

The portfolio may purchase securities on a when-issued basis as long as the position is fully incorporated in calculating the portfolio's duration. Cash or cash equivalents must be held to meet forward commitments including mortgage rolls.

All structured notes which are issued by a non-governmental issuer must be rated A or better.

Any External Manager to the Account shall adhere to the Galliard Capital Management Derivative Risk Management Policy which restricts/prohibits use of certain types of derivative securities and, in addition, the following security types will be prohibited:

- 1. Caps, floors, options**
- 2. Mortgage backed derivatives - IO's; PO's; Inverse Floaters; Inverse IO's; Residuals; Cash Flow Floaters (kitchen sink bonds)**
- 3. Structured notes which have principal at risk in the payout method or have interest payments tied to a foreign currency, commodity, equity or equity index**

EXHIBIT 4

Wrap Agreement Requirements and Limitations

1) Information Requirements.

- (a) As used in this Agreement, a Wrap Agreement shall mean any guaranteed investment contract (“GIC”), synthetic GIC, insurance company separate account contract or other similar financial instrument entered into with respect to the assets of the Account in accordance with the Guidelines. In connection with all Wrap Agreements, State will provide, and will direct any third party within its control, including the Plan trustee or record keeper for the Plan (each an “**Information Source**”), to provide Advisor with all information it has, or may reasonably obtain, that is required to be delivered to the Wrap Providers under the Wrap Agreements in accordance with the terms and conditions of the Wrap Agreements. The information required under the preceding sentence shall include, but shall in no event be limited to, employer and individual participant account balances for employers participating in the Plan, any proposed changes to the Plan, all amendments to the Plan, proposed and final changes in Plan investment options, changes in advice or managed account services for participants in the Plan, or the use of the Account, or changes to the Account’s allocation, within other investment options offered under the Plan (each a “**Plan Change**”). Notification must be provided in advance of the effective date of any such change to the Plan. State will provide a copy of any plan participant communication associated with a Plan Change and will promptly provide final copies of all other communications to plan participants of the character contemplated by this section that reference or mention the Account, including but not limited to documents intended to satisfy the Plan’s obligations under the Employee Retirement Income Security Act of 1974, as amended. Consistent with applicable securities laws, the State will also provide advance notice of any corporate events that could impact the cash flows to or from the Plan or the Account, including, but not limited to, commencement of voluntary or involuntary bankruptcy proceedings involving the plan sponsor, group layoffs, mergers, acquisitions, spin-offs, divestitures, group consolidations, or a change of control of plan sponsor (each a “**Organizational Event**”). In connection with an Organizational Event, State agrees to provide such information as Investment Manager may reasonably request to satisfy the requirements of a Wrap Agreement.
- (b) If State fails to provide any of the information of the character specified in Section 1(a) of this Exhibit 4 and the requirements of the Wrap Agreements are not fulfilled as required by the Wrap Agreements, State understands that failure to provide such information may be an event of default under the Wrap Agreements or may cause the Wrap Providers to mandate that withdrawals from the Account be made at market value rather than book value. **The then current market value of the assets in the Account may be materially lower than the “book value” at which the assets are valued prior to the occurrence of a default, breach or violation of the Wrap Agreement, and this could cause a significant loss to the value of Plan assets.**

- 2) Wrap Agreement Investment Guidelines. The assets of the Account may be subject to additional investment restrictions as provided in the Wrap Agreements. The investment restrictions under the Wrap Agreements may be modified from time to time by the Advisor and the Wrap Providers.

Subject to the remediation requirements of the Wrap Agreements, Advisor will monitor the Account's investments and will notify State if Advisor becomes aware of any material violations of the investment restrictions under the Wrap Agreements applicable to the Account.

- 3) State's Obligations. State will use its best efforts to provide, and cause any Information Source to provide, Advisor with complete and accurate information necessary to allow Advisor to perform the obligations set forth in this Agreement. If any Information Source fails to provide Advisor with the information necessary for Advisor to perform its obligations under this Agreement, Advisor shall report this failure to State so that State may take any action it may deem necessary to secure the delivery of the required information to Advisor. **This failure may cause a loss of the Account's coverage under an affected Wrap Agreement.**
- 4) Special Limitations on Wrap Agreement Services. So long as State has satisfied its obligations to Advisor under this Agreement, Advisor will use its best efforts to obtain and maintain Wrap Agreements for the assets of the Account and will assist the State in monitoring Account liquidity and determining courses of action intended to provide sufficient liquidity for participant-directed transactions. Advisor does not represent, warrant, or guarantee that it will be able to: (1) enter into Wrap Agreements covering all of the assets of the Account, or (2) maintain such Wrap Agreements in full force and effect. State acknowledges that certain Wrap Providers may terminate the Wrap Agreements applicable to the Account in the event that the Advisor ceases to serve as the investment manager of the Account. In the event the investment management agreement with Advisor is terminated for any reason, Advisor's sole responsibility to the State with respect to the continued maintenance of the Wrap Agreements applicable to the Account is to use reasonable efforts to assist the State with the transition to a new investment manager. Principal acknowledges that Advisor shall have no obligation to ensure that the Wrap Agreements remain in full force and effect following the termination of this Agreement for any reason.
- 5) Competing Fund Transfer Restrictions. If the Plan offers an investment option that is deemed to be a competing fund under a Wrap Agreement applicable to the Account and a participant in the Plan requests a transfer of assets from the Account to a competing fund, the participant requesting the transfer will be required to invest in an investment option other than a competing fund for at least ninety (90) days before transferring assets into the competing fund. The definition of what constitutes a competing fund under the Plan is determined by the terms and conditions of each Wrap Agreement applicable to the Account. Examples of what constitutes a competing fund(s) under the Plan may include investment options of which: (i) the assets of the Plan held in the investment option (a) are primarily invested in money market instruments, securities or other investments offering fixed rates of return or investments with similar economic characteristics, or (b) have a target duration equal to three or fewer years, or (ii) the investment option (a) seeks to maintain a stable value per share unit or share, or (b) is a balanced, lifestyle, target-date or other similar type of asset allocation option, if such option consists of funds of the type described in any of the above-referenced restricted categories, in excess of an aggregate of seventy-percent (70%) of that investment option, or (iii) the investment option is a self-directed brokerage account option under which a Participant may select individual stocks and bonds or mutual funds for his or her account under the Plan.

EXHIBIT 5

FEE SCHEDULE

Advisor shall charge an investment advisory fee in the following amount on all assets of the Account under Advisor's management or invested in Collective Funds:

Total Fund Value	Management Fees
First \$100 million of Assets Under Management	0.16% per annum
Next \$100 million of Assets Under Management	0.10% per annum
Balance of Assets Under Management	0.07% per annum

The minimum fee Advisor will charge the Account for its services shall be 0.075% (7.5 basis points) per annum. The fee will be calculated and accrued daily based on the Account's prior day net assets and reflected in the Account's daily net asset value ("NAV") and will be paid by the custodian quarterly from the assets in arrears.

The investment management fees of the External Managers and any fees and expenses embedded in the Collective Funds shall be in addition to the fees charged by Advisor in accordance with this Exhibit 5 and will be disclosed to State as specified in Exhibit 1.

EXHIBIT 6

Standard Terms And Conditions

- are deemed favorable. All payment terms must allow the option of net thirty (30).
- 1.0 SPECIFICATIONS:** The specifications in this request are the minimum acceptable. When specific manufacturer and model numbers are used, they are to establish a design, type of construction, quality, functional capability and/or performance level desired. When alternates are bid/proposed, they must be identified by manufacturer, stock number, and such other information necessary to establish equivalency. The State of Wisconsin shall be the sole judge of equivalency. Bidders/proposers are cautioned to avoid bidding alternates to the specifications which may result in rejection of their bid/proposal.
- 2.0 DEVIATIONS AND EXCEPTIONS:** Deviations and exceptions from original text, terms, conditions, or specifications shall be described fully, on the bidder's/proposer's letterhead, signed, and attached to the request. In the absence of such statement, the bid/proposal shall be accepted as in strict compliance with all terms, conditions, and specifications and the bidders/proposers shall be held liable.
- 3.0 QUALITY:** Unless otherwise indicated in the request, all material shall be first quality. Items which are used, demonstrators, obsolete, seconds, or which have been discontinued are unacceptable without prior written approval by the State of Wisconsin.
- 4.0 QUANTITIES:** The quantities shown on this request are based on estimated needs. The state reserves the right to increase or decrease quantities to meet actual needs.
- 5.0 DELIVERY:** Deliveries shall be F.O.B. destination freight prepaid and included unless otherwise specified.
- 6.0 PRICING AND DISCOUNT:** The State of Wisconsin qualifies for governmental discounts and its educational institutions also qualify for educational discounts. Unit prices shall reflect these discounts.
- 6.1** Unit prices shown on the bid/proposal or contract shall be the price per unit of sale (e.g., gal., cs., doz., ea.) as stated on the request or contract. For any given item, the quantity multiplied by the unit price shall establish the extended price, the unit price shall govern in the bid/proposal evaluation and contract administration.
- 6.2** Prices established in continuing agreements and term contracts may be lowered due to general market conditions, but prices shall not be subject to increase for ninety (90) calendar days from the date of award. Any increase proposed shall be submitted to the contracting agency thirty (30) calendar days before the proposed effective date of the price increase, and shall be limited to fully documented cost increases to the contractor which are demonstrated to be industrywide. The conditions under which price increases may be granted shall be expressed in bid/proposal documents and contracts or agreements.
- 6.3** In determination of award, discounts for early payment will only be considered when all other conditions are equal and when payment terms allow at least fifteen (15) days, providing the discount terms
- 7.0 UNFAIR SALES ACT:** Prices quoted to the State of Wisconsin are not governed by the Unfair Sales Act.
- 8.0 ACCEPTANCE-REJECTION:** The State of Wisconsin reserves the right to accept or reject any or all bids/proposals, to waive any technicality in any bid/proposal submitted, and to accept any part of a bid/proposal as deemed to be in the best interests of the State of Wisconsin.
- Bids/proposals MUST be date and time stamped by the soliciting purchasing office on or before the date and time that the bid/proposal is due. Bids/proposals date and time stamped in another office will be rejected. Receipt of a bid/proposal by the mail system does not constitute receipt of a bid/proposal by the purchasing office.
- 9.0 METHOD OF AWARD:** Award shall be made to the lowest responsible, responsive bidder unless otherwise specified.
- 10.0 ORDERING:** Purchase orders or releases via purchasing cards shall be placed directly to the contractor by an authorized agency. No other purchase orders are authorized.
- 11.0 PAYMENT TERMS AND INVOICING:** The State of Wisconsin normally will pay properly submitted vendor invoices within thirty (30) days of receipt providing goods and/or services have been delivered, installed (if required), and accepted as specified.
- Invoices presented for payment must be submitted in accordance with instructions contained on the purchase order including reference to purchase order number and submittal to the correct address for processing.
- A good faith dispute creates an exception to prompt payment.
- 12.0 TAXES:** The State of Wisconsin and its agencies are exempt from payment of all federal tax and Wisconsin state and local taxes on its purchases except Wisconsin excise taxes as described below.
- The State of Wisconsin, including all its agencies, is required to pay the Wisconsin excise or occupation tax on its purchase of beer, liquor, wine, cigarettes, tobacco products, motor vehicle fuel and general aviation fuel. However, it is exempt from payment of Wisconsin sales or use tax on its purchases. The State of Wisconsin may be subject to other states' taxes on its purchases in that state depending on the laws of that state. Contractors performing construction activities are required to pay state use tax on the cost of materials.
- 13.0 GUARANTEED DELIVERY:** Failure of the contractor to adhere to delivery schedules as specified or to promptly replace rejected materials shall render the contractor liable for all costs in excess of the contract price when alternate procurement is necessary. Excess costs shall include the administrative costs.

- 14.0 ENTIRE AGREEMENT:** These Standard Terms and Conditions shall apply to any contract or order awarded as a result of this request except where special requirements are stated elsewhere in the request; in such cases, the special requirements shall apply. Further, the written contract and/or order with referenced parts and attachments shall constitute the entire agreement and no other terms and conditions in any document, acceptance, or acknowledgment shall be effective or binding unless expressly agreed to in writing by the contracting authority.
- 15.0 APPLICABLE LAW AND COMPLIANCE:** This contract shall be governed under the laws of the State of Wisconsin. The contractor shall at all times comply with and observe all federal and state laws, local laws, ordinances, and regulations which are in effect during the period of this contract and which in any manner affect the work or its conduct. The State of Wisconsin reserves the right to cancel this contract if the contractor fails to follow the requirements of s. 77.66, Wis. Stats., and related statutes regarding certification for collection of sales and use tax. The State of Wisconsin also reserves the right to cancel this contract with any federally debarred contractor or a contractor that is presently identified on the list of parties excluded from federal procurement and non-procurement contracts.
- 16.0 ANTITRUST ASSIGNMENT:** The contractor and the State of Wisconsin recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the State of Wisconsin (purchaser). Therefore, the contractor hereby assigns to the State of Wisconsin any and all claims for such overcharges as to goods, materials or services purchased in connection with this contract.
- 17.0 ASSIGNMENT:** No right or duty in whole or in part of the contractor under this contract may be assigned or delegated without the prior written consent of the State of Wisconsin.
- 18.0 WORK CENTER CRITERIA:** A work center must be certified under s. 16.752, Wis. Stats., and must ensure that when engaged in the production of materials, supplies or equipment or the performance of contractual services, not less than seventy-five percent (75%) of the total hours of direct labor are performed by severely handicapped individuals.
- 19.0 NONDISCRIMINATION / AFFIRMATIVE ACTION:** In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s. 51.01(5), Wis. Stats., sexual orientation as defined in s. 111.32(13m), Wis. Stats., or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, the contractor further agrees to take affirmative action to ensure equal employment opportunities.
- 19.1** Contracts estimated to be over twenty-five thousand dollars (\$25,000) require the submission of a written affirmative action plan by the contractor. An exemption occurs from this requirement if the contractor has a workforce of less than twenty-five (25) employees. Within fifteen (15) working days after the contract is awarded, the contractor must submit the plan to the contracting state agency for approval. Instructions on preparing the plan and technical assistance regarding this clause are available from the contracting state agency.
- 19.2** The contractor agrees to post in conspicuous places, available for employees and applicants for employment, a notice to be provided by the contracting state agency that sets forth the provisions of the State of Wisconsin's nondiscrimination law.
- 19.3** Failure to comply with the conditions of this clause may result in the contractor's becoming declared an "ineligible" contractor, termination of the contract, or withholding of payment.
- 20.0 PATENT INFRINGEMENT:** The contractor selling to the State of Wisconsin the articles described herein guarantees the articles were manufactured or produced in accordance with applicable federal labor laws. Further, that the sale or use of the articles described herein will not infringe any United States patent. The contractor covenants that it will at its own expense defend every suit which shall be brought against the State of Wisconsin (provided that such contractor is promptly notified of such suit, and all papers therein are delivered to it) for any alleged infringement of any patent by reason of the sale or use of such articles, and agrees that it will pay all costs, damages, and profits recoverable in any such suit.
- 21.0 SAFETY REQUIREMENTS:** All materials, equipment, and supplies provided to the State of Wisconsin must comply fully with all safety requirements as set forth by the Wisconsin Administrative Code and all applicable OSHA Standards.
- 22.0 WARRANTY:** Unless otherwise specifically stated by the bidder/proposer, equipment purchased as a result of this request shall be warranted against defects by the bidder/proposer for one (1) year from date of receipt. The equipment manufacturer's standard warranty shall apply as a minimum and must be honored by the contractor.
- 23.0 INSURANCE RESPONSIBILITY:** The contractor performing services for the State of Wisconsin shall:
- 23.1** Maintain worker's compensation insurance as required by Wisconsin Statutes, for all employees engaged in the work.
- 23.2** Maintain commercial liability, bodily injury and property damage insurance against any claim(s) which might occur in carrying out this agreement/contract. Minimum coverage shall be one million dollars (\$1,000,000) liability for bodily injury and property damage including products liability and completed operations. Provide motor vehicle insurance for all owned, non-owned and hired vehicles that are used in carrying out this contract. Minimum coverage shall be one million dollars (\$1,000,000) per occurrence combined single limit for automobile liability and property damage.
- 23.3** The state reserves the right to require higher or lower limits where warranted.

24.0 CANCELLATION: The State of Wisconsin reserves the right to cancel any contract in whole or in part without penalty due to nonappropriation of funds or for failure of the contractor to comply with terms, conditions, and specifications of this contract.

25.0 VENDOR TAX DELINQUENCY: Vendors who have a delinquent Wisconsin tax liability may have their payments offset by the State of Wisconsin.

26.0 PUBLIC RECORDS ACCESS: It is the intention of the state to maintain an open and public process in the solicitation, submission, review, and approval of procurement activities.

Bid/proposal openings are public unless otherwise specified. Records may not be available for public inspection prior to issuance of the notice of intent to award or the award of the contract.

27.0 PROPRIETARY INFORMATION: Any restrictions on the use of data contained within a request, must be clearly stated in the bid/proposal itself. Proprietary information submitted in response to a request will be handled in accordance with applicable State of Wisconsin procurement regulations and the Wisconsin public records law. Proprietary restrictions normally are not accepted. However, when accepted, it is the vendor's responsibility to defend the determination in the event of an appeal or litigation.

27.1 Data contained in a bid/proposal, all documentation provided therein, and innovations developed as a result of the contracted commodities or services cannot be copyrighted or patented. All data, documentation, and innovations become the property of the State of Wisconsin.

27.2 Any material submitted by the vendor in response to this request that the vendor considers confidential and proprietary information and which qualifies as a trade secret, as provided in s. 19.36(5), Wis. Stats., or material which can be kept confidential under the Wisconsin public records law, must be identified on a Designation of Confidential and Proprietary Information form (DOA-3027). Bidders/proposers may request the form if it is not part of the Request for Bid/Request for Proposal package. Bid/proposal prices cannot be held confidential.

28.0 DISCLOSURE: If a state public official (s. 19.42, Wis. Stats.), a member of a state public official's immediate family, or any organization in which a state public official or a member of the official's immediate family owns or controls a ten percent (10%) interest, is a party to this agreement, and if this agreement involves payment of more than three thousand dollars (\$3,000) within a twelve (12) month period, this contract is voidable by the state unless appropriate disclosure is made according to s. 19.45(6), Wis. Stats., before signing the contract. Disclosure must be made to the State of Wisconsin Ethics Board, 44 East Mifflin Street, Suite 601, Madison, Wisconsin 53703 (Telephone 608-266-8123).

State classified and former employees and certain University of Wisconsin faculty/staff are subject to separate disclosure requirements, s. 16.417, Wis. Stats.

29.0 RECYCLED MATERIALS: The State of Wisconsin is required to purchase products incorporating recycled mate-

rials whenever technically and economically feasible. Bidders are encouraged to bid products with recycled content which meet specifications.

30.0 MATERIAL SAFETY DATA SHEET: If any item(s) on an order(s) resulting from this award(s) is a hazardous chemical, as defined under 29CFR 1910.1200, provide one (1) copy of a Material Safety Data Sheet for each item with the shipped container(s) and one (1) copy with the invoice(s).

31.0 PROMOTIONAL ADVERTISING / NEWS RELEASES: Reference to or use of the State of Wisconsin, any of its departments, agencies or other subunits, or any state official or employee for commercial promotion is prohibited. News releases pertaining to this procurement shall not be made without prior approval of the State of Wisconsin. Release of broadcast e-mails pertaining to this procurement shall not be made without prior written authorization of the contracting agency.

32.0 HOLD HARMLESS: The contractor will indemnify and save harmless the State of Wisconsin and all of its officers, agents and employees from all suits, actions, or claims of any character brought for or on account of any injuries or damages received by any persons or property resulting from the operations of the contractor, or of any of its contractors, in prosecuting work under this agreement.

33.0 FOREIGN CORPORATION: A foreign corporation (any corporation other than a Wisconsin corporation) which becomes a party to this Agreement is required to conform to all the requirements of Chapter 180, Wis. Stats., relating to a foreign corporation and must possess a certificate of authority from the Wisconsin Department of Financial Institutions, unless the corporation is transacting business in interstate commerce or is otherwise exempt from the requirement of obtaining a certificate of authority. Any foreign corporation which desires to apply for a certificate of authority should contact the Department of Financial Institutions, Division of Corporation, P. O. Box 7846, Madison, WI 53707-7846; telephone (608) 261-7577.

34.0 WORK CENTER PROGRAM: The successful bidder/proposer shall agree to implement processes that allow the State agencies, including the University of Wisconsin System, to satisfy the State's obligation to purchase goods and services produced by work centers certified under the State Use Law, s.16.752, Wis. Stat. This shall result in requiring the successful bidder/proposer to include products provided by work centers in its catalog for State agencies and campuses or to block the sale of comparable items to State agencies and campuses.

35.0 FORCE MAJEURE: Neither party shall be in default by reason of any failure in performance of this Agreement in accordance with reasonable control and without fault or negligence on their part. Such causes may include, but are not restricted to, acts of nature or the public enemy, acts of the government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes and unusually severe weather, but in every case the failure to perform such must be beyond the reasonable control and without the fault or negligence of the party.



EXHIBIT 7

Supplemental Standard Terms and Conditions

- 1.0 ACCEPTANCE OF BID/PROPOSAL CONTENT:** The contents of the bid/proposal of the successful contractor will become contractual obligations if procurement action ensues.
- 2.0 CERTIFICATION OF INDEPENDENT PRICE DETERMINATION:** By signing this bid/proposal, the bidder/proposer certifies, and in the case of a joint bid/proposal, each party thereto certifies as to its own organization, that in connection with this procurement:
- 2.1** The prices in this bid/proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other bidder/proposer or with any competitor;
- 2.2** Unless otherwise required by law, the prices which have been quoted in this bid/proposal have not been knowingly disclosed by the bidder/proposer and will not knowingly be disclosed by the bidder/proposer prior to opening in the case of an advertised procurement or prior to award in the case of a negotiated procurement, directly or indirectly to any other bidder/proposer or to any competitor; and
- 2.3** No attempt has been made or will be made by the bidder/proposer to induce any other person or firm to submit or not to submit a bid/proposal for the purpose of restricting competition.
- 2.4** Each person signing this bid/proposal certifies that: He/she is the person in the bidder's/proposer's organization responsible within that organization for the decision as to the prices being offered herein and that he/she has not participated, and will not participate, in any action contrary to 2.1 through 2.3 above; (or)
- He/she is not the person in the bidder's/proposer's organization responsible within that organization for the decision as to the prices being offered herein, but that he/she has been authorized in writing to act as agent for the persons responsible for such decisions in certifying that such persons have not participated, and will not participate in any action contrary to 2.1 through 2.3 above, and as their agent does hereby so certify; and he/she has not participated, and will not participate, in any action contrary to 2.1 through 2.3 above.
- 3.0 DISCLOSURE OF INDEPENDENCE AND RELATIONSHIP:**
- 3.1** Prior to award of any contract, a potential contractor shall certify in writing to the procuring agency that no relationship exists between the potential contractor and the procuring or contracting agency that interferes with fair competition or is a conflict of interest, and no relationship exists between the contractor and another person or organization that constitutes a conflict of interest with respect to a state contract. The Department of Administration may waive this provision, in writing, if those activities of the potential contractor will not be adverse to the interests of the state.
- 3.2** Contractors shall agree as part of the contract for services that during performance of the contract, the contractor will neither provide contractual services nor enter into any agreement to provide services to a person or organization that is regulated or funded by the contracting agency or has interests that are adverse to the contracting agency. The Department of Administration may waive this provision, in writing, if those activities of the contractor will not be adverse to the interests of the state.
- 4.0 DUAL EMPLOYMENT:** Section 16.417, Wis. Stats., prohibits an individual who is a State of Wisconsin employee or who is retained as a contractor full-time by a State of Wisconsin agency from being retained as a contractor by the same or another State of Wisconsin agency where the individual receives more than \$12,000 as compensation for the individual's services during the same year. This prohibition does not apply to individuals who have full-time appointments for less than twelve (12) months during any period of time that is not included in the appointment. It does not include corporations or partnerships.
- 5.0 EMPLOYMENT:** The contractor will not engage the services of any person or persons now employed by the State of Wisconsin, including any department, commission or board thereof, to provide services relating to this agreement without the written consent of the employing agency of such person or persons and of the contracting agency.
- 6.0 CONFLICT OF INTEREST:** Private and non-profit corporations are bound by ss. 180.0831, 180.1911(1), and 181.0831 Wis. Stats., regarding conflicts of interests by directors in the conduct of state contracts.
- 7.0 RECORDKEEPING AND RECORD RETENTION:** The contractor shall establish and maintain adequate records of all expenditures incurred under the contract. All records must be kept in accordance with generally accepted accounting procedures. All procedures must be in accordance with federal, state and local ordinances.
- The contracting agency shall have the right to audit, review, examine, copy, and transcribe any pertinent records or documents relating to any contract resulting from this bid/proposal held by the contractor. The contractor will retain all documents applicable to the contract for a period of not less than three (3) years after final payment is made.
- 8.0 INDEPENDENT CAPACITY OF CONTRACTOR:** The parties hereto agree that the contractor, its officers, agents, and employees, in the performance of this agreement shall act in the capacity of an independent contractor and not as an officer, employee, or agent of the state. The contractor agrees to take such steps as may be necessary to ensure that each subcontractor of the contractor will be deemed to be an independent contractor and will not be considered or permitted to be an agent, servant, joint venturer, or partner of the state.